

EXECUTIVE OFFICE OF THE PRESIDENT

BUREAU OF THE BUDGET

WASHINGTON, 25, D. C.

September 23, 1944

My dear General Donovan:

OMB Waiver Letter In ERU File

The President's letter to me of September 18th gives focus and added impetus to the planning we have been doing for reconverting the Government from war to peace. In his letter, copy of which is enclosed, I am asked to submit recommendations to the President at the earliest possible date covering plans for (1) the liquidation of war agencies and the reassignment of such permanent or continuing functions as they possess, (2) the reduction of Government personnel to a peace footing, and (3) the simplification and adaptation of the administrative structure of the Government to peacetime requirements.

Plans for the adjustments that would occur as the war situation develops naturally will be brought into execution in progressive stages. In some cases adjustments can be made immediately, in other cases they will follow the termination of the war in Europe, and in others they must await victory in the Pacific. In order to get out plans in a state of readiness for immediate action, I am requesting you to submit to me within the next 30 days at least those program adjustments which can be made effective immediately and those which can be made effective following the termination of the war in Europe. These plans should include:

- (1) The specific reductions or changes in program or activity under your current budget and adjustments in personnel and financial requirements resulting therefrom;
- (2) The internal or interagency organization adjustments required by reason of changes in program, including the disposition of such permanent or continuing activities as are located in the agency if it is subject to termination;
- (3) Statements of all other proposed actions including executive orders and legislation, necessary to convert from a war to peace basis or to liquidate as the case may be.

Based upon this information and our own studies, the Bureau of the Budget will submit its recommendations to the President. As rapidly as it becomes possible, personnel will be reduced, excess amounts in appropriations and authorizations will be placed in budgetary reserves and reported to Congress, adjustments will be made in estimates of appropriations for the fiscal year 1946, simplification in organization and methods will be effected.

The responsibility for the early development of recommendations for adjusting the Executive Branch from a wartime to a peacetime footing is one we both share. I hope that you can give your personal attention to this task and that you will designate a member of your staff with adequate authority to deal with representatives of the Bureau of the Budget in working out detailed arrangements for adjustments of functions and organization.

I am relying on your counsel and assistance in meeting the President's objective.

Sincerely yours,

/s/ Harold D. Smith
Director

Brig. Gen. William M. Donovan
Director, Office of Strategic Services
Washington, D. C.

Enclosure

Copy of President's letter of
September 18, 1944

This is a TEMPORARY DOCUMENT
only, for the use of DC/HS.

The record copy has been *TRANSFERRED*
released to National Archives

under the HISTORICAL REVIEW PROGRAM

Date 17 JAN 91 HRP 89-2

000171